



Irish Life Weekly Investment Bulletin

The week that was – WEEK 35 (ending 26/08/2016)

“One finds limits by pushing them.” – Herbert Simon

Irish employment above 2m for first time since 2009 – Data from the Quarterly National Household Survey shows Irish employment expanded by 1% (+20,000) in the second quarter with total employment rising to 2.01m, down 132,000 from mid-2008 but above 2m for the first time since Q1 2009.

Euro-area economy shows resilience – IHS Markit's composite Purchasing Managers Index for the 19-nation region rose for a second month to 53.3 in August from 53.2 and marks the best reading in seven months so maintaining its momentum with growth showing little sign of being derailed by Brexit uncertainty.

Fed's Yellen opens door to U.S. rate hike – At the Federal Reserve Bank of Kansas City conference in Jackson Hole, Wyoming, Federal Reserve Chair Janet Yellen prepared markets for a rise in interest rates perhaps as early as the next meeting in September, depending on next Friday's U.S. employment report.

Global stock market down 0.4% on the week – The World stock market (MSCI AC World) was down 0.35% from 19th to 26th August as markets waited for Janet Yellen's statement above about the timing of a U.S. rate rise. The euro-area and Irish stock markets bucked the general trend with rises of 1.4% and 2.1% respectively.

U.K. consumers shrug off Brexit jitters – The latest YouGov/Centre for Economics and Business Research consumer confidence index improved to 109.8 in August, up 3.2 points on July. This was the largest monthly bounce in over three years and comes after the sharp fall in July in the month following the EU vote.

Iraq set to boost oil output – Just over a week ago, the oil market rallied after hopes of an OPEC production cap. However during the week, OPEC member Iraq said it will boost production by 150,000 barrels per day, or roughly 5% of output. Fields in northern Iraq are coming back on line after an agreement with Kurdistan.

The Story of the week: 4 of the Top 5 Voted Jokes from the 2016 Edinburgh Fringe Comedy Festival – (1) “My dad has suggested that I register for a donor card. He’s a man after my own heart.” — *Masai Graham*; (2) “Why is it old people say “there’s no place like home, yet when you put them in one.” — *Stuart Mitchell*; (3) “I’ve been happily married for four years - out of a total of 10.” — *Mark Watson*; (4) Censored for product placement reasons! and (5) “I went to a pub quiz in Liverpool, had a few drinks so wasn’t much use. Just for a laugh I wrote The Beatles or Steven Gerrard for every answer ... came second.” — *Will Duggan*

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 26/08)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-8.2
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	13.1
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-5.5
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	7.7
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	4.2
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-14.0
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	9.0
MSCI AC World	-8.5	13.2	22.9	7.2	-0.7	2.7
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.	1.9	1.7	3.0	2.2	2.2	1.6
German	1.8	1.4	1.9	0.5	0.6	-0.1
UK	2.0	1.9	3.0	1.9	1.9	0.6
Japan	1.0	0.7	0.7	0.3	0.2	-0.1
Ireland	8.4	4.5	3.4	1.3	1.1	0.4
Italy	7.1	4.6	4.1	2.1	1.6	1.1
Greece	31.7	12.7	8.2	9.6	7.9	7.9
Portugal	13.4	6.9	6.1	2.7	2.5	3.0
Spain	5.1	5.4	4.1	1.6	1.7	1.0
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.12
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.85
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.31
IPD All Property Return (%)	2011	2012	2013	2014	2015	2016
Ireland	-2.4	3.1	12.7	40.1	25.0	6.3 (to end of Q2)
U.K.	8.1	2.7	10.7	17.8	13.1	2.5 (to end of Q2)
U.S.	14.5	5.3	11.4	11.2	12.1	4.1 (to end of Q2)

*Past performance is not a reliable guide to future performance